

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 0 2

2. STATE:

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

May 1, 2001

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR Part 441, Subpart F

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 19,277.00b. FFY 2002 \$ 46,025.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 8
Attachment 4.19-B, Page 8a9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Same, Approved 04-19-96, TN 96-04
None, New Page

10. SUBJECT OF AMENDMENT:

The Arkansas Title XIX State Plan has been amended to reflect a revision in the
reimbursement for air ambulance services.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Ray Hanley

14. TITLE:

Director, Division of Medical Services

15. DATE SUBMITTED:

February 12, 2001

16. RETURN TO:

Division of Medical Services
P. O. Box 1437
Little Rock, AR 72203-1437Attention: Binnie Alberius
Slot 1103**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

05-05-01

18. DATE APPROVED:

May 1, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

May 1, 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

Calvin G. Cline

21. TYPED NAME:

Calvin G. Cline

22. TITLE:

Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: May 1, 2001

23. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.

a. Transportation

- (1) Ground Ambulance: Services are reimbursed based on the lesser of the amount billed or the Title XIX (Medicaid) charge allowed. Effective for claims with dates of service on or after May 1, 1996, the Arkansas Medicaid maximum payments are established at 86% of the 1995 Medicare 75th percentile of prevailing charges (non-participating).

The Medicaid maximum for the intermediate transport (level of patient care) is established by averaging the Basic Life Support (BLS) and the Advanced Life Support (ALS) Medicaid rates which were established at 86% of the 1995 Medicare 75th percentile of prevailing charges (non-participating).

- (2) Air Ambulance: Reimbursement for fixed wing air ambulance services is based on the lesser of the amount billed or the maximum Title XIX (Medicaid) charge allowed.

Air ambulance reimbursement maximums are based on unaudited costs reflected on provider submitted cost statements. Provider submitted cost statements are used for turboprop and piston propelled aircraft due to the large difference in costs between the aircraft. The provider cost statements are dated June 1, 1992, for turboprop and November 2, 1993, for piston propelled planes.

A maximum per mile was developed which covers the cost of the transportation equipment, the salary of the pilot and non-medical supplies. The maximum for the turboprop is \$4.00 per mile and the maximum for the piston propelled is \$2.00 per mile. A maximum per hour was developed which covers the cost of medical personnel and medical equipment. The maximum per hour for the turboprop is \$150 per hour and the maximum per hour for the piston propelled is \$35.00 per hour.

Effective for dates of service occurring May 1, 2001 and after, turboprop and piston propelled aircraft air ambulance mileage and hourly reimbursement rates will be increased. The new rates will be increased per the Consumer Price Index-All Urban Consumers (CPIU - not seasonally adjusted, U.S. city average, all items) increases between October, 1994 and December, 2000. The May 1, 2001 maximums for the turboprop aircraft will be \$4.66 per mile and \$174.71 per hour and the maximums for piston propelled aircraft will be \$2.33 per mile and \$40.76 per hour. The hourly rate will only be reimbursed for time while the aircraft is in the air, on the runway for takeoff and landing, boarding and disembarking patient and crew, and taxiing.

Effective for dates of service occurring May 1, 2001 and after, Arkansas Medicaid will reimburse a separate rate per mile for jet aircraft air ambulance services. The jet aircraft air ambulance maximum is based on unaudited costs reflected on provider submitted cost statements dated August 31, 2000.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: May 1, 2001

23. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.

a. Transportation (Continued)

(2) Air Ambulance (Continued):

A \$5.90 maximum per mile for jet aircraft air ambulance services was developed which covers 110% of the cost of transportation equipment, the salaries of the pilot and co-pilot, and other non-medical supplies. The jet aircraft maximum per hour for medical personnel and medical equipment will be equal to the amount reimbursed for the turboprop aircraft.

Effective for dates of service occurring May 1, 2001 and after, Arkansas Medicaid will reimburse ground transport salary and fringe expenses for the aircraft medical crew up to a maximum of \$1,000 per total roundtrip flight. The purpose of this separate reimbursement is to provide necessary additional life support and patient stabilizing medical services for the transported patient. Maximums of \$9.40 per 15 minute increment for nursing services and \$7.90 per 15 minute increment for paramedic services can be billed. These rates are based on unaudited costs reflected on provider submitted cost statements dated August 31, 2000. This reimbursement can only be made for medical crew assistance time while 1) the crew travels to the hospital to pick up the patient 2) the patient is being transported from the original hospital to the aircraft, 3) the patient is being transported from the aircraft to the receiving hospital and 4) the crew is traveling back to the aircraft after delivering the patient to the receiving hospital. The ground transport medical crew time is reimbursable whether or not the crew actually accompanies the patient in the ground transport ambulance. The crew may travel in a separate vehicle if necessary.

Effective for dates of service occurring May 1, 2001 and after, Arkansas Medicaid will reimburse air transport ventilator and respiratory therapist services. The \$75 per hour reimbursement rate for this service is based on unaudited costs reflected on provider submitted cost statements dated August 31, 2000. This service will only be reimbursed when necessary for patient care during transportation. The hourly rate will only be reimbursed for time while the aircraft is in the air, on the runway for takeoff and landing, boarding and disembarking patient and crew, and taxiing.

The State covers round trip or running mileage. The rationale for the above is the expense the provider incurs prior to pickup and delivery of the patient.

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